

107TH CONGRESS
1ST SESSION

S. 1884

To amend the Emergency Steel Loan Guarantee Act of 1999 to revise eligibility and other requirements for loan guarantees under that Act, and for other purposes.

IN THE SENATE OF THE UNITED STATES

DECEMBER 20 (legislative day, DECEMBER 18), 2001

Mr. WELLSTONE (for himself, Mr. DEWINE, Mr. DAYTON, Mr. SPECTER, Mr. BAYH, Ms. MIKULSKI, and Mr. VOINOVICH) introduced the following bill; which was read twice and referred to the Committee on Appropriations

A BILL

To amend the Emergency Steel Loan Guarantee Act of 1999 to revise eligibility and other requirements for loan guarantees under that Act, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. FINDINGS.**

4 Congress finds the following:

5 (1) The steel import crisis in the United States
6 continues, affecting negatively the financial position
7 of steel companies engaged in the manufacture or
8 production of basic steel products.

1 (2) United States steel companies are finding it
 2 necessary to reduce production and place steel mills
 3 on “hot idle status” while such companies await
 4 remedies under United States trade laws.

5 (3) Preservation of United States steel making
 6 capacity is essential to our national security.

7 **SEC. 2. AMENDMENT TO DEFINITION OF QUALIFIED STEEL**
 8 **COMPANY.**

9 Section 101(c)(3)(B) of the Emergency Steel Loan
 10 Guarantee Act of 1999 (Public Law 106–51) is amended
 11 by inserting after “is engaged in” the following: “, or has
 12 placed on ‘hot idle status’ steel mill facilities used in,”.

13 **SEC. 3. AMENDMENTS TO EMERGENCY STEEL LOAN GUAR-**
 14 **ANTEE ACT OF 1999.**

15 (a) INDIVIDUAL GUARANTEE LIMIT.—Section 101(f)
 16 of the Emergency Steel Loan Guarantee Act of 1999
 17 (Public Law 106–51) is amended—

18 (1) in paragraph (3), by striking
 19 “\$250,000,000” and inserting “\$350,000,000”;

20 (2) by redesignating paragraphs (4) and (5) as
 21 paragraphs (5) and (6), respectively; and

22 (3) by inserting after paragraph (3) the fol-
 23 lowing:

24 “(4) FORM OF GUARANTEE.—The Board will
 25 utilize a form of unconditional and unqualified guar-

1 antee that United States commercial banks would
 2 typically require from a nongovernmental guarantor
 3 in a commercial loan transaction of similar size and
 4 nature. Such guarantee must not impose any sub-
 5 stantive obligations on the lender and must not
 6 grant greater rights to the guarantor, including
 7 rights to avoid such guarantee or seek recourse
 8 against the lender, than would typically be provided
 9 for in such a commercial loan transaction.”.

10 (b) REQUIREMENTS FOR LOAN GUARANTEES.—Sec-
 11 tion 101(g) of the Emergency Steel Loan Guarantee Act
 12 of 1999 is amended—

13 (1) in the matter preceding paragraph (1), by
 14 striking “a private bank or investment company”
 15 and inserting “a public or private institution, includ-
 16 ing a company’s existing lender”;

17 (2) in paragraph (2), by striking “that com-
 18 pany, together with the character and value of the
 19 security pledged, furnish reasonable assurance” and
 20 inserting “the company, based on forecasts which
 21 assume vigorous and timely enforcement of our
 22 trade laws and general prosperity in the economy,
 23 provides a fair likelihood”;

24 (3) in paragraph (4), by striking “; and” and
 25 inserting “;”;

1 (4) in paragraph (5), by striking the end period
 2 and inserting “; and”; and

3 (5) by inserting at the end the following:

4 “(6) the company’s business plan maximizes the
 5 retention of jobs and capacity consistent with the
 6 long-term economic viability of the company.”.

7 (c) GUARANTEE LEVEL.—Section 101(h) of the
 8 Emergency Steel Loan Guarantee Act of 1999 is
 9 amended—

10 (1) in paragraph (2), by striking the second
 11 sentence and inserting the following: “The Board
 12 may, where such security is available and not used
 13 to secure other financing, require security in either
 14 existing or after-acquired assets for the guaranteed
 15 portion of the loan and may provide the
 16 unguaranteed portion of the loan different payment
 17 preference or different terms than those provided to
 18 the guaranteed portion of the loan.”; and

19 (2) by striking paragraph (4) and inserting the
 20 following:

21 “(4) GUARANTEE LEVEL.—Any loan issued
 22 under this section may not exceed 95 percent of the
 23 amount of the principal of the loan, plus the amount
 24 of any unpaid interest on the loan.”.

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